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**THE WHITE HOUSE
WASHINGTON**

CABINET AFFAIRS STAFFING MEMORANDUM

Date: 12/23/83 **Number:** ----- **Due By:** -----

Subject: Cabinet Council on Food and Agriculture Minutes

December 5, 1983

	Action	FYI		Action	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	Mc Farlane	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	Svahn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Gunn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>CIA</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/	<input type="checkbox"/>	<input checked="" type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Simmons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	CCLP/Uhlmann	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EPA	<input type="checkbox"/>	<input type="checkbox"/>	CCMA/Bledsoe	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>			
SBA	<input type="checkbox"/>	<input type="checkbox"/>			

REMARKS:

Attached for your information are the minutes of the December 5, 1983 CCFA meeting.

RETURN TO:

☐ Craig L. Fuller
Assistant to the President
for Cabinet Affairs
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☐ Katherine Anderson
☐ Tom Gibson

☐ Don Clarey
☒ Larry Herbolsheimer

Associate Director
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THE WHITE HOUSE

WASHINGTON

CABINET COUNCIL ON FOOD AND AGRICULTURE

December 5, 1983, 2:00 P.M.

MINUTES

Participants: Block, Simmons, Lighthizer, McPherson, Porter, Leonard, Herbolzheimer, Tracy, Derham, Hennessey, Gall, Keel, McMinn, Constable, Leland, Kingon, Kriesberg, Jenkins, Neal, and Cicconi, and Ms. Constable and Risque.

Mr. Leonard briefly described the background of the International Fund for Agricultural Development (IFAD) and its mission of providing additional resources for agricultural development projects benefiting the small farmers and rural poor of the most needy countries. He then outlined the issues that required the Cabinet Council's consideration:

- o What is the appropriate level of the U.S. FY 1985 contribution to IFAD?
- o Should the U.S. participate in the negotiation of a second replenishment of IFAD?
- o If so, what negotiating position should the U.S. adopt?

Mr. Block indicated that the question of the fate of IFAD had been raised during the recent meeting of the Food and Agriculture Organization (FAO) in Rome and that the U.S. had been the brunt of much criticism for its tardiness in delivering on its pledge to the first replenishment of IFAD.

Mr. McPherson explained that the original justification for IFAD was its role in securing the cooperation of OPEC countries in the funding of international assistance projects. He indicated that, to the extent that this remained a suitable rationale for U.S. participation in IFAD, the Administration should conduct itself so that the responsibility for the possible demise of IFAD rest with OPEC countries, not the U.S. To that end, Mr. McPherson suggested that the question of U.S. participation in a second replenishment of IFAD be deferred until two conditions were met: (1) agreement that the total second replenishment funding level would not be less than the first replenishment level; and (2) the commitment of the OPEC countries to maintain their current 43% share of total IFAD contributions. Mr. McPherson recommended that the U.S. devise some strategy to display its interest in fulfilling its remaining

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first replenishment obligations (\$90 million) so that other OECD donors would not scale down their first replenishment contributions and thereby jeopardize the future of IFAD before a second replenishment could be negotiated.

Mr. Leland agreed that the question of U.S. participation in a second replenishment should be deferred. However, he proceeded to suggest a more stringent condition for U.S. participation in such a replenishment: The OECD and OPEC countries should reverse their pledge shares, with OPEC assuming a 57% share and OECD countries a 43% share. Mr. Leland expressed his concern that the Cabinet Council was not the appropriate forum for resolving the issue of the FY 1985 funding level of IFAD. While he favored leaving the FY 1985 U.S. contribution at the \$50 million level requested by the State Department, he stressed that the matter should be decided in conjunction with budget decisions on other multilateral development organizations and U.S. bilateral foreign assistance programs.

Mr. Block noted that the President had sent a letter to President Zia of Pakistan stating that the U.S. planned to provide the balance of its total contribution under the first IFAD replenishment before the end of calendar year 1983. Mr. Block said that it was important not to overlook this apparent commitment on the President's part. Mr. Simmons concurred.

Ms. Constable indicated that the President's letter was not likely to raise foreign policy problems in that it did not constitute a U.S. commitment but rather an expression of current U.S. plans or intentions. She then echoed the sentiments of Mr. Leland, stressing that, in any event, the current plan for meeting our first replenishment obligation (\$50 million in FY 1985 and \$40 million in FY 1986) was reasonable in light of our funding arrearages for other multilateral development institutions of equal or greater priority.

Mr. Keel explained that Congress in the past had been reluctant to fully fund the Administration's budget requests for IFAD. He stated that OMB shared State's and Treasury's view regarding the appropriate FY 1985 funding level for IFAD and urged that the Administration be hesitant to support a second replenishment of IFAD given the overriding need to address the large U.S. budget deficit.

Mr. Block indicated that some increase -- perhaps of \$10 million or \$20 million -- in the pending FY 1985 budget request for IFAD was needed to avoid encouraging other OECD donors to scale down their first replenishment contributions. Mr. Kriesberg informed the Cabinet Council that major OECD donors had decided earlier in the day to draw out their first replenishment contributions, if the U.S. refused

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to accelerate its fulfillment of its pledge. Mr. Block also suggested that it would be wise to consult with Assistant Secretary of State Richard McCormack upon his return from the IFAD Executive Board meeting in Rome before a final decision regarding the FY 1985 funding level was made. Everyone present thought that this suggestion was in order.

Mssrs. Leland and Keel stated that the FY 1985 funding level decision should be made by the Budget Review Board in conjunction with budget decisions on other international assistance programs.

Mr. Porter summarized the results of the Cabinet Council's discussion saying that there was apparent agreement that:

- o The U.S. should fulfill its first replenishment pledge and that the pledge should be fulfilled via at least a \$50 million contribution in FY 1985 and a second contribution in FY 1986 that was consistent with funding requests for other international assistance accounts;
- o The U.S. is prepared to discuss participation in a second replenishment of IFAD provided the OPEC countries are willing at least to maintain their current 43% share of IFAD contributions;
- o The specific funding level for the U.S. FY 1985 contribution to IFAD is a matter for the Budget Review Board to resolve.

No one took issue with this summary of the Cabinet Council consensus.